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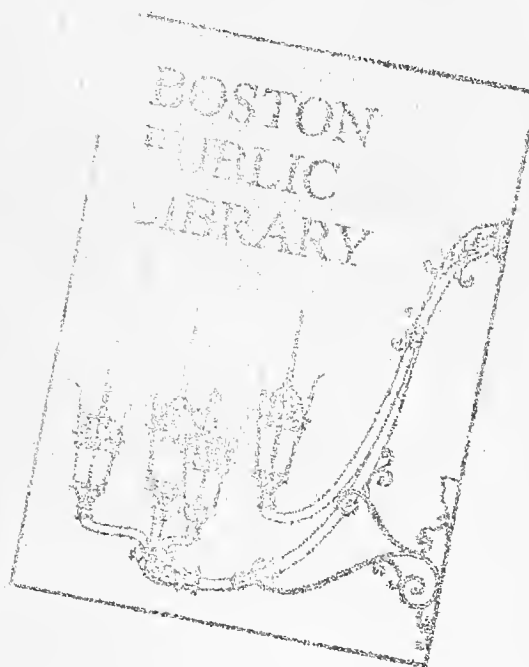
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# **EDIC/Boston**

## **Real Estate**

### **Report:**

*Trends in Industrial  
Real Estate—1984*



**EDIC/Boston**

*Economic Development and Industrial  
Corporation of Boston*

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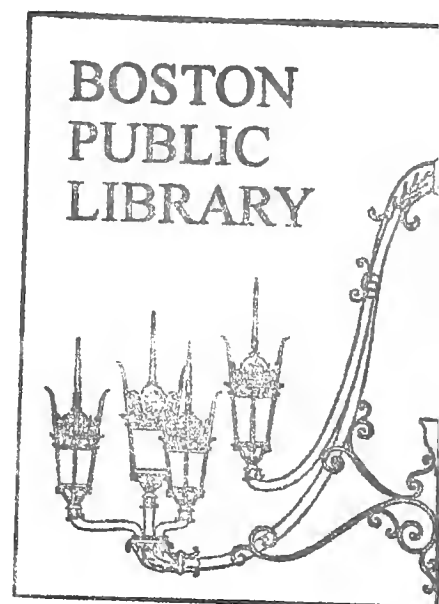
Marilyn Swartz Lloyd,  
Director

Raymond L. Flynn, Mayor

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REAL ESTATE REPORT  
TRENDS IN INDUSTRIAL REAL ESTATE  
1984



Economic Development and Industrial Corporation of Boston

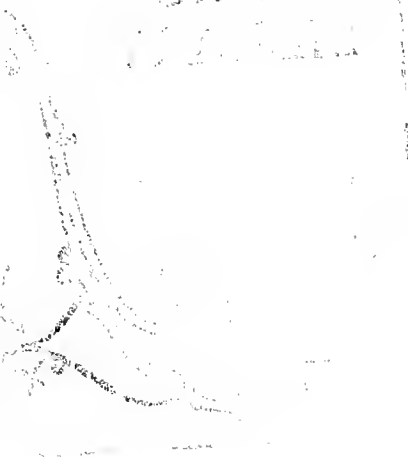
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Marilyn Swartz Lloyd  
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CITY OF BOSTON  
Raymond L. Flynn, Mayor

NOTICE  
OF  
CANCELLATION



## TRENDS IN INDUSTRIAL REAL ESTATE SUMMARY

- o Interest in Receiving Assistance: The number of companies receiving assistance increased 61%; from 219 companies in 1983 to 353 companies in 1984. This was a 240% increase from 104 companies in 1981, the first full year of the program.
- o Placement: 31 companies found sites as a direct result of EDIC real estate assistance in 1984. 28 are tenants in EDIC industrial parks. From 1980 through 1984, a total of 150 companies employing over 6,500 people contacted EDIC for real estate assistance and expanded or relocated in Boston. These companies anticipate creating an additional 2,500 jobs.
- o Jobs: The 31 companies placed by EDIC in 1984 employ nearly 2000 people and will create almost 1000 new jobs. Since 1980, the 63 companies placed through EDIC employ almost 3,000 people and created approximately 1250 jobs.
- o Location of Companies: 25% of the companies requesting assistance are located in the immediate vicinity of downtown Boston. These companies moved because their buildings were converted to commercial uses. Another 23% were in other Massachusetts locations outside of Boston, which is an increase of 81% from 21 companies in 1983 to 38 companies in 1984. This shows an increasing number of companies who want to move into the City. These companies are attracted to Boston by its accessibility and because in the past, low cost building space was readily available.
- o Referral Sources: Realtors were the most frequent referral source in 1984, approximately 19% of the total, and a 56% increase from 1983. EDIC marketing accounted for 19% of the referrals, an 86% increase from 1983. EDIC tenants and other firms and City agencies were also strong referral sources, together accounting for 23% of total referrals.
- o Types of Companies: Companies relocating or expanding were most frequently found in the food related and printing industries (both 10% of the total), the transportation related industries (8%), and the apparel and other garment industries (7%). For nearly every major type of firm assisted, there was a substantial increase in the number assisted between 1982 and 1984.
- o Amount of Space Desired: Some 45% of the companies requesting assistance desired less than 15,000 SF of building space. 48% of the companies needed between 15,000 SF and 80,000 SF of building space. In addition 30% of the companies needed open land. 61% needed 2 acres and less while 19% needed more than 4 acres. The needs of larger companies employing substantial numbers of people were increasingly hard to meet in 1984, as land and building space has been converted to commercial uses.
- o Origins and Destinations: Most of the companies which relocated or expanded were in the downtown area. As in past years, South Boston, with its abundant industrial space, was the most common new location for companies.



## INTRODUCTION:

Through its Real Estate Program, the Economic Development and Industrial Corporation (EDIC/Real Estate) helps expanding and relocating companies, as well as realtors, developers and community groups find available industrial building space and land in Boston. EDIC's success can be measured by the increasing number of companies and realtors with industrial clients who sought assistance to find this space. More importantly, the real estate program has retained or created 3,000 jobs by locating companies in either EDIC owned industrial parks or private sites identified by EDIC.

EDIC/Real Estate uses the Boston SiteFinder, an EDIC publication with 100 profiles of available properties in each of Boston's neighborhoods. Descriptions of available sites are obtained from owners, realtors, and community groups. EDIC/Real Estate also offers community based organizations assistance with project planning, marketing, and leasing for their neighborhood projects.

EDIC Real Estate assistance is often provided in conjunction with EDIC/Financial Services. When a company finds a suitable Boston location, Financial Services staff can help structure a viable financial package for acquisition, improvements, construction or equipment.

This report summarizes activities undertaken by EDIC's Real Estate program. It quantifies the number, needs, and types of companies which sought EDIC real estate assistance in 1984. For EDIC, private developers, and community development corporations, this report will help direct future real estate and marketing efforts to stabilize and build the industrial base of Boston.

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OUTCOMES OF EDIC REAL ESTATE ASSISTANCE  
1984

This chart shows the outcomes of assistance to companies in 1984 as of December 31, 1984. In addition, the outcomes of assistance provided to all companies from 1980 through 1984 are shown.

CONTACTS	# of Companies 1984	# of Companies 1980-1984
<hr/>		
A. Direct Placement		
1. Located/Relocated in Boston (to site suggested by EDIC)	3	16
2. Became an EDIC Tenant	28	52
B. In Progress		
3. Active Contacts	152	342
4. Prospective EDIC Tenants	16	58
C. Completed Contacts		
5. Located/Relocated in Boston (non-EDIC site)	24	59
5. Expanded in Previous Boston Location	10	23
7. Located Outside Boston	22	54
8. Decided Not to Move or Expand	31	74
9. Discontinued Contact	67	199
TOTAL CONTACTS:	353	877
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Figure 1A  
Number of Companies Assisted,  
1980-1984

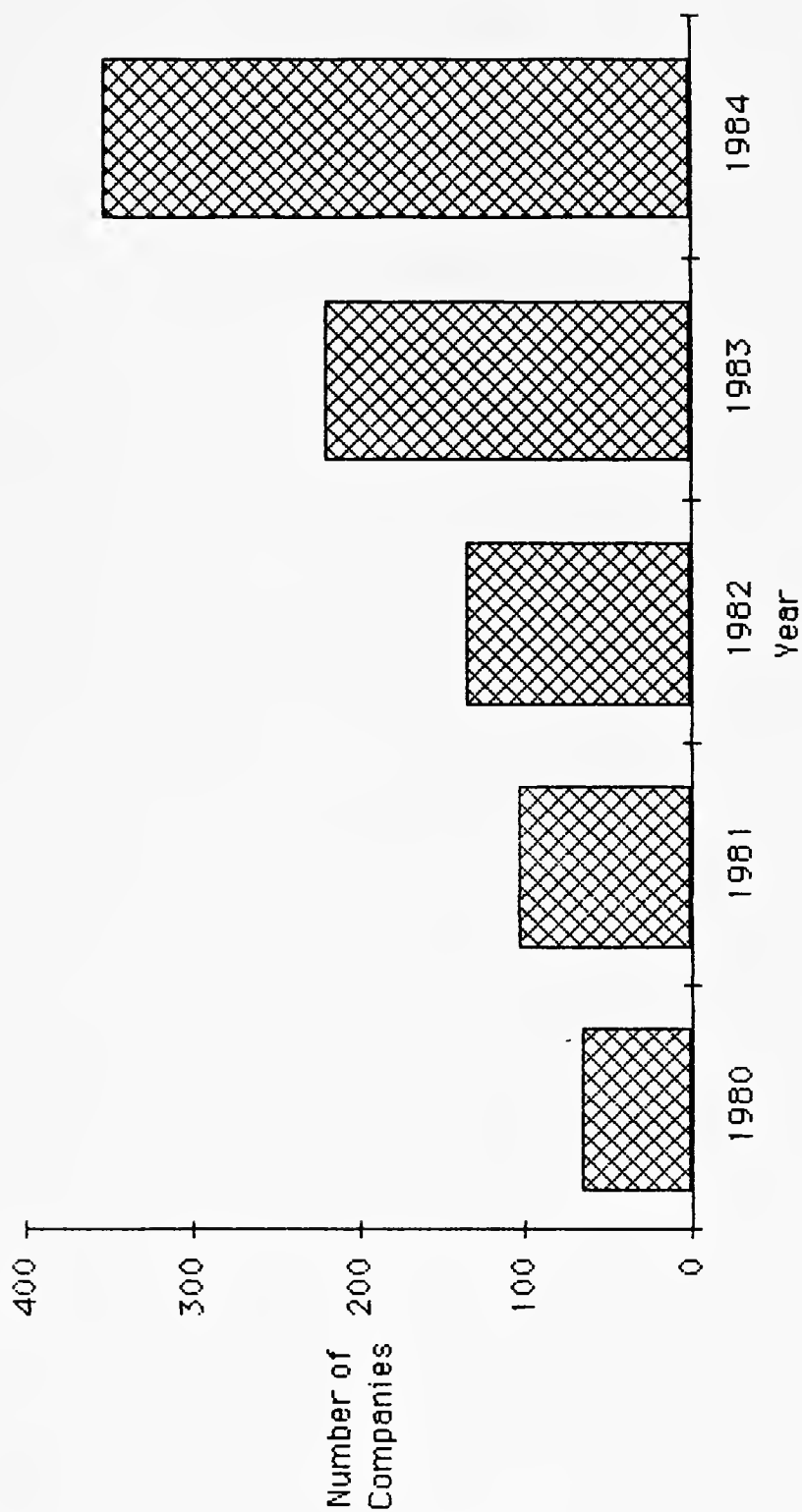
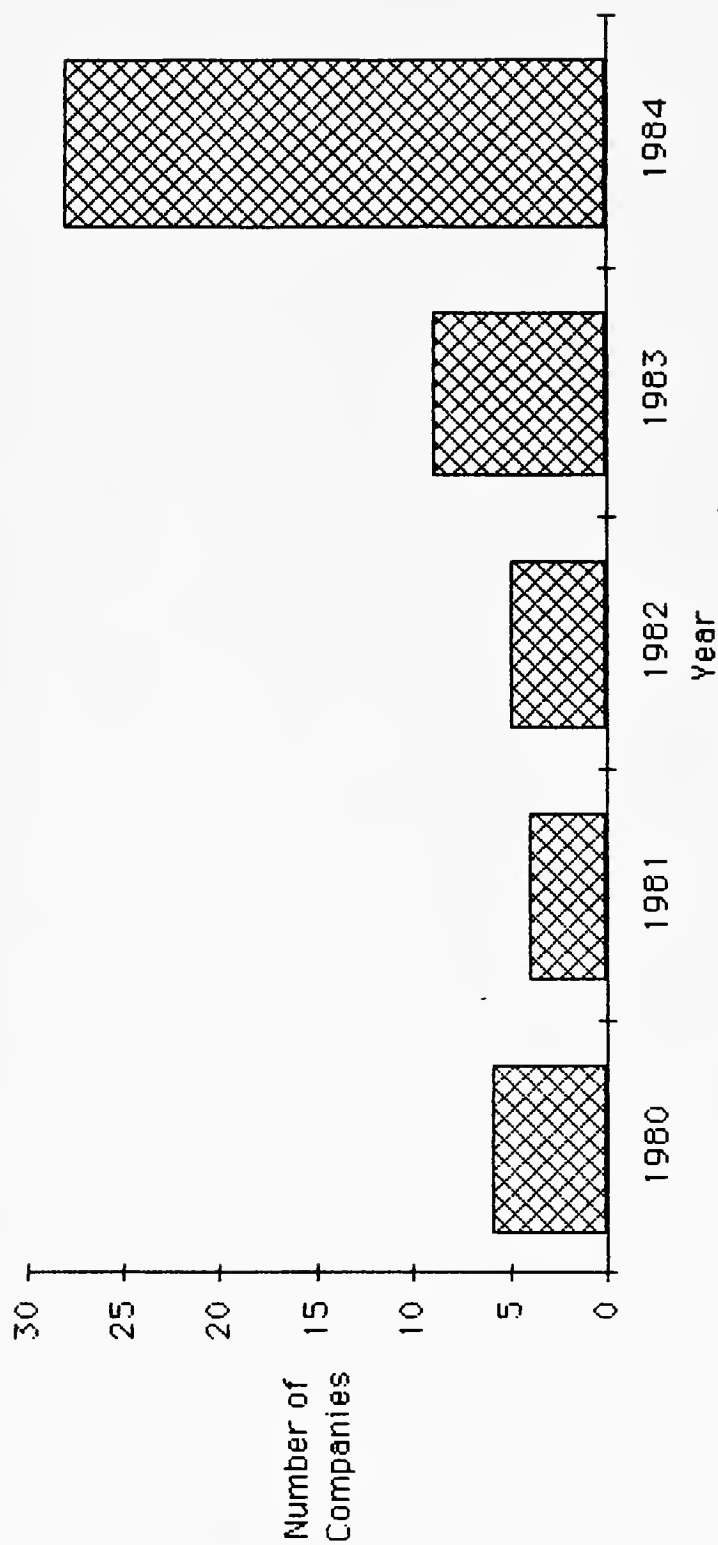




Figure 1B  
 Number of New Tenants Which Located  
 in EDIC Industrial Parks ,  
 1980-1984







JOBS RETAINED AND CREATED BY FIRMS SEEKING  
EDIC REAL ESTATE ASSISTANCE\*

A. Jobs retained/created by 1984 contacts and by 1980-1984 totals (the length of the program).

	1984	1980 - 1984
JOBS RETAINED	12,663	17,646
JOBS CREATED	7,189	9,139
TOTAL JOBS	19,852	26,785

B. Breakdown of total jobs retained/created in 1984 by outcome with 1980-1983 comparisons and totals.

	# of Jobs Retained 1984	# of Jobs Created 1984	Total Jobs 1984	Total Jobs 1980-84
CONTACTS				

A. Direct Placement

1. Located/Relocated in Boston (to site suggested by EDIC)	29	10	39	NA
2. Became an EDIC Tenant	1897	367	2764	NA

B. In Progress

3. Prospective EDIC Tenants	1242	465	1707	3479
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C. Completed Contacts

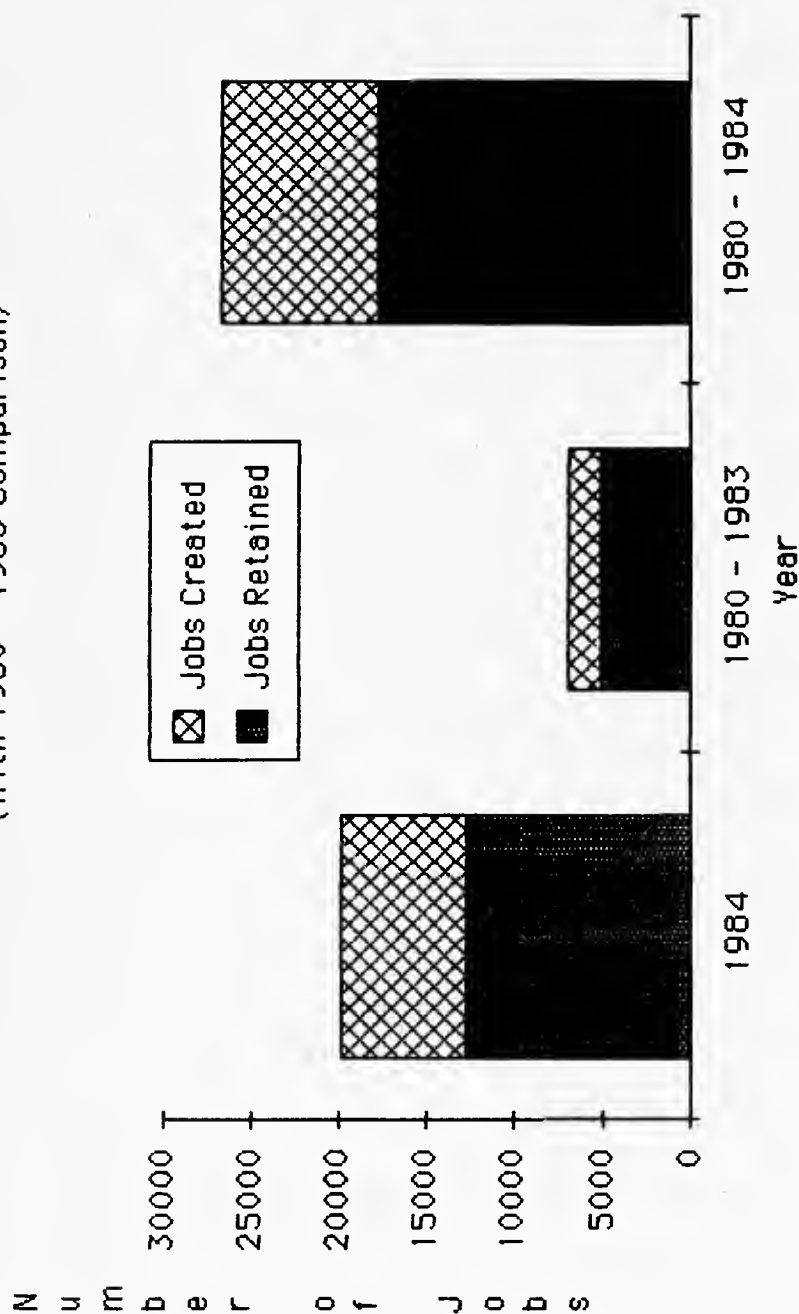
4. Located/Relocated in Boston (non-EDIC site)	607	108	715	3305
5. Expanded in Previous Boston Location	406	54	460	1843

TOTAL JOBS	4,181	1,504	5,685	11,430
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\*Job Information not available for 63 companies because they preferred not to disclose their employment level, were a developer, or because they contacted EDIC through a realtor who was not aware of the number of persons employed by the company.



Figure 2  
Total Jobs Retained/Created by Companies Seeking EDIC Real  
Estate Assistance, 1984  
(with 1980 - 1983 Comparison)





AMOUNT OF SPACE DESIRED BY  
EXPANDING AND RELOCATING COMPANIES 1984

A. BUILDING SPACE

AMOUNT OF BUILDING SPACE DESIRED	# of Companies	% of Total Companies	Median Area Desired
Very Small 0-4999 SF	55	18.1	3,000 SF
Small 5000-14,999 SF	77	25.4	9,000 SF
Medium 15,000-29,999 SF	78	25.8	19,000 SF
Large 30,000 - 79,999 SF	67	22.1	40,000 SF
Very Large 80,000 SF and more	26	8.6	100,000 SF
TOTAL	303	100%	

Median is for each size category.



AMOUNT OF SPACE DESIRED BY  
EXPANDING AND RELOCATING COMPANIES 1984 continued

B. LAND

AMOUNT OF SPACE DESIRED	# of Companies	% of Total Companies	Median Area Desired
Very Small 0 - 1 acre	30	28.8	.7 acres (30,000 SF)
Small 1.1 - 2 acres	33	31.7	1.6 acres (70,000 SF)
Medium 2.1 - 4 acres	21	20.2	3 acres (130,680 SF)
Large 4.1 - 8 acres	8	7.7	5.25 acres (228,690 SF)
Very Large 8 acres and more	12	11.5	14.5 acres (631,620 SF)
TOTAL	104	100%	

Median is for each size category.

Of the 104 companies desiring open land, 12 wanted land only. The remaining 92 companies proposed to construct buildings and are also included amongst the 303 companies desiring building space.





TYPES OF FIRMS SEEKING EDIC ASSISTANCE  
1984  
(With 1982, 83 Comparisons)

(Related)	% of Total Companies 1984	# of Companies 1984	# of Companies 1983	# of Companies 1982	% Change 82 - 84
d	9.9	34	21	10	240
nting	9.9	34	14	6	466.7
nsportation	8.1	28	16	2	1300
Goods/Garment	6.7	23	27	39	-41.0
elopers	5.5	19	8	NA	NA
n Tech	4.9	17	14	17	0
niture	4.3	15	3	NA	NA
ice Supplies	4.3	15	6	2	650
upport Services	4.3	15	6	2	650
g. Materials/ olies	3.5	12	17	4	200
itects/Engineers	3.5	12	NA	NA	NA
anical Equip./	3.2	11	7	5	120
ware	2.9	10	3	2	400
struction	2.9	10	NA	NA	NA
ography and	2.9	10	NA	NA	NA
a Storage/ ection	2.6	9	NA	NA	NA
c./Non-Profit	2.6	9	NA	NA	NA
)	2.3	8	4	3	156.7
l Working	2.0	7	7	5	40
ewear/Leather Gds.	2.0	7	3	NA	NA
anical Repair	2.0	7	NA	NA	NA
l Products	1.7	6	2	7	NA
gy/HVAC	1.7	6	1	1	500
Service	1.7	6	2	2	200
cal	1.4	5	3	2	150
omotive	1.2	4	6	3	33.3
ycling	1.2	4	NA	NA	NA
or Union	1.2	4	NA	NA	NA
ctic/Cellophane	1.2	4	3	1	300
. Office	1.2	4	8	NA	NA
s	.6	2	5	3	-33.3
ellaneous	3.8	13	NA	NA	NA
L	100%	345	185	114	



Types of Firms Seeking EDIC Assistance  
Notes

- o Food includes 6 fishing/seafood related industries
- o Transportation includes shipping and distribution companies, commercial vehicles (ie: ambulances, bus co.), air travel and manufacturing vehicles
- o High tech includes electronics and software companies
- o Furniture includes floor coverings
- o Architects/Engineers includes research and development and designers
- o Ship includes ship repairs, supplies, and salvage
- o Metal working includes metal processing and metal products
- o Mechanical repair includes companies looking for garage work space.
- o Type of firm was not identified for 8 companies (Contacts were realtors who did not know the company's function.)



ORIGIN & DESTINATION OF FIRMS WHICH  
RELOCATED OR EXPANDED IN BOSTON  
1980 - 1984

This chart lists the former and new locations of those companies which relocated or expanded in Boston.

	1980-1984	
	<u>ORIGIN</u>	<u>DESTINATION</u>
<u>BOSTON</u>		
Allston/Brighton	3	4
Charlestown	2	3
Dorchester	5	9
Downtown		
Chinatown/Leather District	23	10
Fort Point Channel	16	2
North End/North Station	4	2
Other Downtown	26	3
East Boston	2	2
Fenway/Kenmore	2	0
Hyde Park	0	6
Jamaica Plain	3	4
Mattapan	0	0
Newmarket	2	2
Roslindale	0	3
Roxbury	1	5
South Boston	24	65
South End	5	2
Uphams Corner/Columbia	0	2
West Roxbury	0	0
Other Towns or Cities (MA)	22	23
Out of State	3	0
NA	5	5
<u>TOTAL</u>	<u>158</u>	<u>151</u>

Includes companies which located/relocated to EDIC suggested sites and to non EDIC sites, companies which became tenants, and companies which expanded in their previous location.



CURRENT LOCATIONS OF ACTIVE  
REAL ESTATE CONTACTS\*  
1984

Current locations of companies considering a move or expansion to a new location are shown. Figures shown are as of December 31, 1984.

	<u>NUMBER OF COMPANIES</u>
<u>BOSTON</u>	
Allston/Brighton	7
Charlestown	0
Dorchester	7
Downtown	
Chinatown/Leather District	10
Fort Point Channel	4
North End/North Station	4
Other Downtown	24
East Boston	2
Fenway/Kenmore	7
Hyde Park	0
Jamaica Plain	5
Mattapan	0
Newmarket	3
Roslindale	0
Roxbury	9
South Boston	12
South End	8
Uphams Corner/Columbia	1
West Roxbury	0
SUB-TOTAL	102
<u>OUTSIDE OF BOSTON</u>	
Other Mass	38
Out of State	13
SUB-TOTAL:	51
Location Unknown	15
<hr/> TOTAL	<hr/> 168

\*Includes active contacts and prospective EDIC tenants.





REAL ESTATE ASSISTANCE  
REFERRAL SOURCES

REFERRAL	# of Referrals 1984	% of Total Referrals 1984	# of Referrals 1981 - 83	% of Total Referrals 1981 - 83
Realtors	67	19.0	67	14.6
EDIC/Marketing				
a. Signage	17	4.8	7	1.5
b. Newsletter/Mailings	9	2.5	5	1.1
c. Survey/Phone Outreach	6	1.7	5	1.1
d. Staff Contacts	25	7.1	30	6.6
e. Unidentified	10	2.8	18	3.9
SUB-TOTAL	<u>67</u>	<u>19.0</u>	<u>65</u>	<u>14.2</u>
Other Industries				
a. EDIC Tenants	29	8.2	0	0.0
b. Other Companies	20	5.7	52	11.4
SUB-TOTAL	<u>49</u>	<u>13.9</u>	<u>52</u>	<u>11.4</u>
City Agencies				
a. BRA	15	4.2	17	3.7
b. Mayor's Office	5	1.4	NA	NA
c. City Agencies	11	3.1	NA	NA
d. Unidentified	0	0.0	52	11.4
SUB-TOTAL	<u>31</u>	<u>8.8</u>	<u>59</u>	<u>15.1</u>
State Agencies				
a. Commerce Dept.	11	3.1	NA	NA
b. Massport	6	1.7	NA	NA
c. Other	6	1.7	6	1.3
d. Unidentified	0	0.0	28	6.1
SUB-TOTAL	<u>23</u>	<u>6.5</u>	<u>34</u>	<u>7.4</u>
Banks	21	5.9	31	6.8
Media				
a. "Boston Globe"	5	1.4	NA	NA
b. Unidentified Newspaper	4	1.1	18	3.9
c. Magazine	3	.8	NA	NA
d. Unidentified Media	7	2.0	NA	NA
SUB-TOTAL	<u>19</u>	<u>5.3</u>	<u>18</u>	<u>3.9</u>
Community Groups	8	2.3	14	3.1
Chamber of Commerce	7	2.0	NA	NA
Developers	6	1.7	NA	NA
General Knowledge/Phonebook	6	1.7	8	1.7
Armed Forces	4	1.1	NA	NA
BPIC	2	.6	11	2.4
Miscellaneous	5	1.4	17	3.7
Source Not Identified	38	10.3	72	15.7
<b>TOTAL</b>	<b>353</b>	<b>100</b>	<b>458</b>	<b>100</b>



## COMMUNITY DEVELOPMENT CORPORATION PROJECTS

Community Development Corporations (CDCs) are neighborhood based development entities concerned with attracting new companies, jobs and investment to their neighborhoods. They have been increasingly successful in financing, constructing and leasing new development projects. The EDIC Real Estate Department has been working in conjunction with the Financial Services staff to provide assistance for CDC projects. This assistance includes advice on marketing and planning, tenant referrals, property listings in the Boston SiteFinder and project specific low cost financing. Some CDC projects are highlighted below:

### ALLSTON/BRIGHTON CDC - Allston Square

Allston Square was a vacant parcel of land formerly owned by the City of Boston. The Allston Brighton CDC (ABCDC) is working to obtain industrial revenue bond (IRB) financing through the Boston Industrial Development Financing Authority (BIDFA), an affiliate of EDIC. ABCDC has also applied to Boston's Neighborhood Development and Employment Agency (NDEA) for additional financial assistance for building construction. Ground breaking, which is contingent upon financing approval, is scheduled for Fall, 1985. The 25,000 square foot structure will be comprised of 19,000 square feet of production space, 5,000 square feet retail space, and 1,000 square feet office space. A furniture manufacturer has been secured as the sole tenant, and the office space will be reserved for CDC operations.

### CDC OF BOSTON - Baltimore Brush Building

Rehabilitation of the former Baltimore Brush Building is scheduled to begin in November, 1985. The 42,000 square feet of net leasable space will be made available to R & D firms, light manufacturing, office and incubator tenants. The CDC is currently preleasing and seeking an anchor tenant. Renovations and improvements are financed in part with a U.S. Economic Development Administration Grant obtained jointly by EDIC and the CDC. This Roxbury project is located in Crosstown Industrial Park, which is being developed by EDIC and the CDC.

### CHINATOWN ECONOMIC DEVELOPMENT COUNCIL - China Trade Center

The China Trade Center, containing 36,000 square feet of retail space and 6,000 square feet of office space, will serve as an orientation point for Chinatown upon completion. Largely vacant, this historic building was formerly occupied by several "adult" book stores. The Chinese Economic Development Corporation retained the land under a long term land lease and sold the building to BIDFA. The building was purchased by BIDFA from the proceeds of an HUD 108 loan, and was subsequently sold to the Boylston Development Group Limited Partnership. The three principals of the Bay Group are the general partner of the limited partnership. The project was made feasible by a total of 11 public and private financing sources.



The Bay Group's construction is well underway, and approximately 95% of the retail space is committed. The estimated completion date of the center is Fall, 1985.

#### EAST BOSTON CDC - Lockport Complex

The first phase of the Lockport project, containing 60,000 square feet of building space, is completely occupied. The complex is located on the Mystic River. The CDC is awaiting final authorization of funding before beginning construction of the project's second phase, a 40,000 square foot structure of combined office and manufacturing space. The second phase has received preliminary approval for BIDFA issued IRB financing. Final approval of financing is expected by September, 1985. Preleasing has started and project completion is anticipated by early 1986.

#### FIELDS CORNER CDC - One Arcadia Place

"One Arcadia Place" is a speculative mixed use development providing 4,000 square feet of office space, 4,000 square feet of restaurant space and twelve units of artist housing occupying 12,000 square feet. The structure was formerly a police station and is the only National Historic Register building in Dorchester. The project is expected to be completed by the end of October, and the CDC is actively seeking office tenants including R & D firms.

#### JAMAICA PLAIN CDC - Heffenrefer Brewery

Currently, there are nineteen tenants within the Heffenrefer complex ranging from small contractors to Xerox and Reynolds Aluminum. Heffenrefer was formerly a brewery needing substantial renovation. The CDC has received \$1 million of EDA funding for the second phase of rehabilitation slated to begin in early fall. Three buildings containing 13,000, 3,000, and 20,000 square feet will be the focus of the CDC's marketing effort. In addition, the project will provide approximately 4,000 square feet of warehousing space. The CDC is interested in labor intensive industrial, manufacturing and distribution space users.

#### ROXBURY ACTION PROGRAM - Elliot Square

The Roxbury Action Program (RAP) anticipates receiving final approval of private financing in August 1985 and will begin construction soon thereafter. The development will house condominiums with ground floor office and retail space. Elliot Square is located in Roxbury's Fort Hill, an area noted for historic architecture and new housing construction. The project is expected to be completed by February of 1986 and preleasing is underway.





